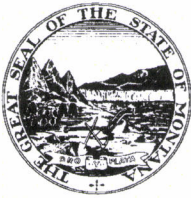


Exhibit No. 2Date 4-19-13Bill No. HB 2

# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

Room 110 Capitol Building \* P.O. Box 201711 \* Helena, MT 59620-1711 \* (406) 444-2986 \* FAX (406) 444-3036

Director  
AMY CARLSON

April 18, 2013

The Legislative Fiscal Division was directed by the bill sponsor, Representative Ankney and the amendment sponsor, Senator Jones to document the intent of the boiler plate amendment adopted on the Senate Floor. The boiler plate section of HB 2 was amended on the Senate Floor with the following language:

SECTION 3. LEGISLATIVE INTENT. IT IS THE INTENT OF THE LEGISLATURE THAT THE APPROPRIATIONS FOR PERSONAL SERVICES CONTAINED IN THIS BILL FOR FISCAL YEAR 2014 AND FISCAL YEAR 2015, EXCEPT FOR THE REDUCTIONS CONTAINED IN DECISION PACKAGES THAT REMOVE AN ADDITIONAL VACANCY SAVINGS AMOUNT, ARE SUPPORTED BY ONLY THE NUMBER OF FTE THAT ARE FUNDED. IT IS THE INTENT OF THE LEGISLATURE THAT THIS NET LEVEL OF FTE IS THE LEVEL THAT WILL BE USED TO CALCULATE PERSONAL SERVICES FUNDING IN THE NEXT BIENNIUM.

Personal services budget techniques are based on traditions and processes developed over the years that include:

- o Budgeting the costs and funding for personal services based ongoing FTE approved by the previous Legislature
- o Establishing a base "FTE" or Full-Time Equivalent positions agreed to by the Legislature for the current biennium
- o Establishing a vacancy savings amount that reduces the funding for personal services, but leaves all of the "FTE positions" (frequently 4%)

This amendment removes the "positions" associated with the lower funding available after the standard 4% vacancy savings reductions. This reduces the number of positions intended in the current biennium and included in base funding in the next biennium.

FY 2013		FY 2014 and FY 2015		Budgeting for FY 2016	
<b>FTE Positions</b> Recorded in HB 2 narrative as Legislative Intent (1,000 FTE)	VS - 4% removed from HB 2	<b>FTE Removed from narrative.</b>	VS - 4% removed from	<b>FTE Positions</b> Recorded in HB 2 narrative as Legislative Intent (960 FTE)	<b>Personal Services Budget</b> in HB 2
	<b>Personal Services Budget</b> (96%) in HB 2				

The spreadsheet on the following page illustrates the calculated FTE reductions by agency.



### Estimate of FTE associated with vacancy savings

Section/Agency	2014 & 2015 BASE FTE	Boile Plate Impact 2014 & 2015	2014 & 2015 BASE NET FTE
<b>A</b>			
Department Of Administration	169.02	(7.04)	161.98
Department Of Commerce	51.00	(2.13)	48.87
Department Of Labor & Industry	754.58	(31.44)	723.14
Department Of Military Affairs	198.21	(8.26)	189.95
Department Of Revenue	658.28	(27.43)	630.85
Governor's Office	28.50	(1.19)	27.31
Secretary Of State's Office	56.25	(2.26)	53.99
State Auditor's Office	72.80	(3.03)	69.77
<b>B</b>			
Department of Public Health and Human Services	2,920.36	(121.68)	2,798.68
<b>C</b>			
Department Of Agriculture	117.39	(4.89)	112.50
Department Of Environmental Quality	382.95	(15.96)	366.99
Department Of Fish, Wildlife & Parks	692.60	(24.20)	668.40
Department Of Livestock	138.97	(5.79)	133.18
Department Of Transportation	2,110.26	(87.93)	2,022.33
Dept Of Natural Resources & Conservation	539.76	(22.49)	517.27
<b>D</b>			
Department Of Corrections	1,277.90	(34.49)	1,243.41
Department Of Justice	737.85	(16.43)	721.42
Office Of The Public Defender	193.50	(8.06)	185.44
Public Service Regulation	31.00	(1.29)	29.71
<b>E</b>			
Commissioner of Higher Ed	93.88	(3.91)	89.97
Montana Historical Society	59.83	(2.49)	57.34
Montana State Library	28.25	(1.18)	27.07
Office Of Public Instruction	148.86	(6.20)	142.66
<b>Grand Total</b>	<b>11,462.00</b>	<b>(439.77)</b>	<b>11,022.23</b>

If you wish to receive this information by program or detailed calculations, please contact the LFD.